



c/o Manistee County Controller/Administrator's Office
415 Third Street • Manistee, MI 49660
Telephone: (231) 398-3500 • Fax: (231) 723-1795

MEMBERS:

Dennis Bjorkquist, Chairperson
B. Allan O'Shea, Vice-Chairperson
Colleen Kenny, Secretary

MINUTES

Wednesday, January 13, 2010
5:00 P.M.

Manistee County Courthouse
415 Third Street, Manistee, MI 49660

Members Present: Dennis Bjorkquist, Chairperson; B. Allan O'Shea, Vice-Chairperson; and Colleen Kenny, Secretary

Others Present: Thomas Kaminski, Administrative Support; R. Lance Boldrey and Shawn Johnson of Dykema Gossett, PLLC, Legal Counsel; Jeri Lyn Prielipp, Recording Secretary, Kendra Rohdy, Equalization Director, numerous audience members, and the media

The meeting was called to order at 5:00 P.M. Roll call was taken. The Pledge of Allegiance was recited.

The Chairman requested approval of the meeting Agenda.

There was a motion by Ms. Kenny, supported by Mr. O'Shea to approve the Wednesday, January 13, 2010 Meeting Agenda, as presented. Motion carried.

The Chairman then requested approval of the minutes from the Monday, December 14, 2009 meeting of the Manistee Local Revenue Sharing Board.

There was a motion by Mr. O'Shea, supported by Ms. Kenny to approve the minutes from the Monday, December 14, 2009 meeting of the Manistee Local Revenue Sharing Board, as presented. Motion carried.

There were no invoices for the Board to consider, nor was there correspondence to review.

The Chairman asked Mr. Kaminski to provide a brief overview of the financial report. Mr. Kaminski outlined the report, which included the \$913,129.21 that the County Treasurer received in 2% funds on December 18, 2009, less \$101,261.00 in Public Safety grants and Administrative costs and Legal fees awarded last month, leaving an account balance as of January 12, 2010 of \$2,333,714.98. Mr. Kaminski further reported that he estimated the P.I.L.T. grant obligation that will be paid in February 2010 at \$1,416,163.94, based on current taxable value and reduced by 44.61228%.

The Chairman then announced that the Board would consider a proposed amendment to the Manistee Local Revenue Sharing Board Bylaws to define a Class III gaming facility. The Chairman read the current Bylaw language into the record, which states (**NOTE: After reviewing the current Bylaws, it was discovered that there were formatting errors in the numbering system. Therefore, the corrected Bylaw definition changes occur in ARTICLE IX, Section 9.5.B**):

"Article IX, Section 8.5.I. Payment in Lieu of Taxes or PILT. Out of the aggregate payments to local units of government, each local unit of government shall receive no less than an amount equivalent to its ad valorem property taxes that would otherwise be attributed to the [Band's] Class III gaming facility if that site were subject to such taxation." Compact 18(A)(4). *For purposes of this section the term "Class III gaming facility" shall include: the building(s) which house the Band's gaming operations; any appurtenances; and any contiguous or non contiguous parcel(s) whether owned by the Band or held in trust for the Band by the federal government, which can reasonably be considered a part of or amenity to the Band's casino operations. The board shall consult with the appropriate assessing agencies and/or reputable valuation experts in determining the estimated taxable value of the Band's Class III gaming facility under this section."*

The proposed Bylaw definition change is:

"Article IX, Section 8.5.I. Payment in Lieu of Taxes or PILT. (ARTICLE IX, Section 9.5.B of reformatted Bylaws). Out of the aggregate payments to local units of government, each local unit of government shall receive no less than an amount equivalent to its ad valorem property taxes that would otherwise be attributed to the [Band's] Class III gaming facility if that site were subject to such taxation." Compact 18(A)(4). *For purposes of this section the term "Class III gaming facility" shall mean the entirety of the single structure in which the Band offers Class III gaming. For purposes of this definition, different components of the structure need not share a single foundation or contiguous walls and may be connected by doorways or walkways."*

Chairman Bjorkquist opened up discussion of the proposed Bylaw amendment. R. Lance Boldrey of Dykema Gossett, PLLC, Legal Counsel to the Revenue Sharing Board, reiterated that at the December 14th meeting, the Board took action to amend it's Bylaws as written above, or in whatever fashion the Board may determine. The Board has a range of discretion in arriving at a definition, so long as their actions are consistent with the gaming Compact. Mr. Boldrey explained that in formulating the definitions that he proposed at last month's meeting, he looked at the language of the Compact and drafted several definitions which ranged anywhere from the entire structure down to just the gaming floor itself. He added that the State Tax Commission came up with a definition that is not binding but is just a suggestion and he feels their definition really tracks the proposed amendment being discussed tonight. However the Tax Commission says the Gaming Control Board should be the agent to assist the assessors in securing access to the facility and the Gaming Control Board does not have jurisdiction of the hotel, thus they are not able to gain the assessors access to the hotel area.

Kendra Rohdy, Equalization Director, explained that one of the frustrations the Equalization Department has had was that casino officials have not allowed them access to the casino over the past several years to do an assessment. She also requested direction from the Board on what exactly they wanted her to assess.

Initially, Mr. O'Shea requested that the Board consider a more moderate approach to the definition. He is not in favor of the narrowest definition, but feels that the hotels should be excluded. He explained that he had asked Ms. Rohdy to come up with something to present to the Board and prior to the meeting, Ms. Rohdy provided the Board with a Recap of Real Property Values as of December 31, 2007 (APPENDIX A). The first page includes the campground, hotels and warehouse storage and page two is the same list, with those items removed. The initial list includes 62 buildings or appurtenances that had been included in the assessment. Ms. Rohdy ran down the list with the Board,

excluding things such as the parking lot, dumpsters, electrical generators, retaining wall, light posts, signs, storage buildings, RV park. Nearly everything that wasn't under the roof with the casino, entertainment center, restaurant and bars at the facility was eliminated from what she will do the new assessment on.

Chairman Bjorkquist asked how many of the 62 items on the list would be eliminated if we deal with just a single structure? Ms. Rohdy replied that a lot of the items would be eliminated and there would not be much value left, especially if you start eliminating the asphalt, the concrete, the sidewalks, the sign, etc.. Ms. Kenny felt that the parking lot, sidewalks, lights, etc., should be excluded from the assessment, however, Ms. Rohdy disagreed. She felt the property should be assessed as any other commercial property and should include at least a percentage of the asphalt, concrete, sign, etc..

Another issue that was discussed is the personal property contained within the casino itself that is added to the assessment. Ms. Rohdy stated that the Equalization Department hasn't received anything from the casino in regards to personal property values since 2006 and that wasn't a true assessment. Ms. Rohdy added that the casino changes things out every two years or so, however the Equalization Department hasn't been provided with any figures from the casino to assess the personal property.

Dennis Cawthorne, who represents the Manistee Area Public Schools' interest in regards to P.I.L.T. and whose firm of Kelley Cawthorne helped draft the Compact indicated that he has been involved with a similar personal property situation regarding a casino in Emmet County. He stated that the Revenue Sharing Board there is struggling with a court order to take personal property under consideration, but they could not get access. The general policy of these Tribes is to not permit access because they are a sovereign nation and do not have to respond. In his view, the big flaw in that argument is that in so doing, the tribe violates the Compact. Mr. Boldrey agreed and also stated that this is an issue the state enforces and the only option would probably be to go into court saying they were in violation of the Compact. However, the Board and Equalization Director said they will look to see if it is possible under this situation to get permission to gain access.

After rather lengthy discussion amongst the Board members, Ms. Rohdy, Legal Counsel, and some members of the audience,

There was a motion by Ms. Kenny, supported by Mr. O'Shea that the Manistee Local Revenue Sharing Board amend Article IX, Section 8.5.I. (ARTICLE IX, Section 9.5.B of reformatted Bylaws) of its Bylaws so that the Section will now read:

Payment in Lieu of Taxes or PILT. Out of the aggregate payments to local units of government, each local unit of government shall receive no less than an amount equivalent to its ad valorem property taxes that would otherwise be attributed to the [Band's] Class III gaming facility if that site were subject to such taxation." Compact 18(A)(4). For purposes of this section the term "Class III gaming facility" shall mean the entirety of the single structure in which the Band offers Class III gaming. For purposes of this definition, different components of the structure need not share a single foundation or contiguous walls and may be connected by doorways or walkways.

A roll call vote was taken:

Yeas: 2 (O'Shea and Kenny)

Nays: 1 (Bjorkquist)

Absent: None

Motion carried by 2-1 vote.

This action essentially changes the way the Equalization Department is assessing the property for the P.I.L.T. payments. Instead of assessing the entire parcel of property where the casino is located including parking lots, storage buildings, RV park, the large sign out front, parking lot lights and everything else on the property, the assessment will now be limited to the casino floor, restaurants, entertainment center, and hotel. Chairman Bjorkquist stated the general consensus of the Manistee Township Board is that the casino is no different than if that property belonged to a private citizen. It is his opinion that the entire property should be subject to being assessed. The Manistee Township Board does not approve of this type of limited assessment, and that is what caused him to change his vote from the last meeting.

The next meeting of the Manistee Local Revenue Sharing Board is the Organizational Meeting scheduled for Monday, February 8, 2010, at 5:00 P.M. at the Manistee County Courthouse and Government Center, 415 Third Street, Manistee, Michigan.

The Board scheduled a special meeting for Monday, February 8, 2010, at 5:15 P.M. at the Manistee County Courthouse and Government Center, 415 Third Street, Manistee, Michigan, to review the taxable value of the casino property under the new Bylaws, and to award 2009 PILT grants. Ms. Rohdy will contact the casino to set up a time when she can have access and she expects to be prepared to present a new assessment to the Board on February 8, 2010.

There being no further business to come before the Revenue Sharing Board and with no other concerns from Board members, the meeting was adjourned at 6:10 P.M.

Respectfully submitted,

Colleen Kenny, Secretary

[j:\p c:\office\revenue_sharing\1-13-10 minutes-BYLAW AMENDMENT]

LITTLE RIVER CASINO RECAP OF REAL PROPERTY VALUES AS OF 12/31/07 (2003 MANUAL)

IMPROVEMENTS	Year Built	TRUE CASH VALUE	Depreciation	ECF
1 ORIGINAL CASINO	1999	\$2,380,066	\$2,261,062.70	\$1,921,903.29
2 ORIGINAL CASINO ADD	2000	\$916,320	\$870,504.00	\$739,928.40
3 CB WELL HOUSE & UNDERGROUND STORAGE TANK	1999	\$128,131	\$121,724.45	\$103,465.78
4 STONE	1999	\$36,029	\$34,227.55	\$29,093.42
5 CASINO ENTRANCE	1999	\$115,209	\$109,448.55	\$93,031.27
6 PORTABLE OFFICE	2001	\$36,840	\$34,998.00	\$29,748.30
8 PORTABLE OFFICE	2000	\$41,759	\$39,671.05	\$33,720.39
9 PORTABLE OFFICE	2000	\$35,646	\$33,863.70	\$28,784.15
10 SHED W/F	2000	\$2,549	\$2,421.55	\$2,058.32
11 ASPHALT	1999	\$5,170,992	\$4,912,442.40	\$4,175,576.04
12 CONCRETE	1999	\$5,113	\$4,857.35	\$4,128.75
13 CONCRETE CURBS	1999	\$179,520	\$170,544.00	\$144,962.40
14 LIGHTS & POSTS	1999	\$162,922	\$154,775.90	\$131,559.52
15 STANDBY POWER	1999	\$1,057,350	\$1,004,482.50	\$853,810.13
16 CAMPGROUND	2001	\$651,265	\$4,652.83	\$3,954.91
16A CAMPGROUND	2005	\$673,463	\$646,524.48	\$549,545.81
17 SHIPPING	2001	\$124,457	\$114,500.44	\$97,325.37
18 RETAINING WALL	2001	\$7,250	\$6,670.00	\$5,669.50
19 CONCRETE	2001	\$95,572	\$87,926.24	\$74,737.30
20 ASPHALT	2001	\$1,159,168	\$1,066,434.56	\$906,469.38
21 LIGHTS & POSTS	2001	\$79,829	\$73,442.68	\$62,426.28
22 WOOD POST	2001	\$1,590	\$1,462.80	\$1,243.38
23 3 WALK IN COOLERS	2001	\$66,844	\$61,496.48	\$52,272.01
24 SHED W/F	2001	\$1,907	\$1,754.44	\$1,491.27
25 SHED W/F	2001	\$1,589	\$1,461.88	\$1,242.60
26 DUMPSTER CONCEALER	2001	\$3,286	\$3,023.12	\$2,569.65
27 SIGN 2 SIDED, PAINTED	2001	\$457	\$420.44	\$357.37
28 STANDBY POWER	2001	\$5,008,500	\$4,607,820.00	\$3,916,647.00
29 2 STORY HOTEL (COMPLETED IN 2002)	2001	\$9,099,056	\$8,371,131.52	\$7,115,461.79
30 POOL ROOM, WHIRLPOOL, SAUNA (COMPLETED 2002)	2001	\$1,470,599	\$1,352,951.08	\$1,150,008.42
31 CONVENTION CENTER (COMPLETED IN 2002)	2001	\$1,968,802	\$1,811,297.84	\$1,539,603.16
32 CONVENTION CENTER CANOPIES (COMPLETED 2002)	2001	\$1,396,811	\$1,285,066.12	\$1,092,306.20
33 CASINO (COMPLETED 2002)	2001	\$20,623,360	\$18,973,491.20	\$16,127,467.52
34 OFFICES (COMPLETED 2002)	2001	\$1,532,677	\$1,410,062.84	\$1,198,553.41
35 VAULT (COMPLETED 2002)	2001	\$121,822	\$112,076.24	\$95,264.80
36 PERFORMERS' ELEVATOR	2002	\$27,295	\$25,111.40	\$21,344.69
37 COOLERS & FREEZERS (COMPLETED 2002)	2001	\$79,147	\$72,815.24	\$61,892.95
38 PAVILLION	2001	\$7,168	\$6,594.56	\$5,605.38
39 SIGNS WOOD, CARVED, 5	2001	\$18,448	\$16,972.16	\$14,426.34
40 POND & AERATOR	1999	\$77,858	\$24,838.45	\$21,112.68
41 STONE RETAINING WALL	2001	\$8,745	\$8,045.40	\$6,838.59
42 DOCK LEVELERS	2001	\$19,377	\$17,826.84	\$15,152.81
43 POND & AERATOR	2001	\$70,411	\$64,778.12	\$55,061.40
44 ELECTRONIC MESSAGE STRUCTURE	2002	\$331,536	\$305,013.12	\$259,261.15
45 FABRIC AWNING	2001	\$1,089	\$1,001.88	\$851.60
46 WATER SYSTEM	1999	\$45,000	\$17,633.07	\$14,988.11
47 WATER SOFTENERS	2003	\$54,000	\$18,601.92	\$15,811.63
48 3 STORY HOTEL (COMPLETED 2005)	2004	\$6,779,665	\$66,890.45	\$56,856.88
49 CULTURAL CORRIDOR & MUSEUM (COMPLETED 2005)	2004	\$886,023	\$314,959.20	\$267,715.32
50 STANDBY POWER	2005	\$1,868,250	\$1,034.55	\$879.37
51 WAREHOUSE STORAGE (COMPLETED 2006)	2005	\$2,806,644	\$42,750.00	\$36,337.50
52 EMPLOYEE PARKING LOT	2005	\$1,075,119	\$51,300.00	\$43,605.00
53 BANQUET EXPANSION & ENTRANCES (COMPLETED 2006)	2006	\$944,086	\$6,440,681.75	\$5,474,579.49
54 CONCRETE WALKS (COMPLETED 2007)	2006	\$5,862	\$841,721.85	\$715,463.57
55 4 STORY HOTEL	2006	\$10,622,145	\$1,774,837.50	\$1,508,611.88
56 CONFERENCE CENTER (COMPLETED 2007)	2006	\$2,510,614	\$2,666,311.80	\$2,266,365.03
57 EVENT CENTER (COMPLETED 2007)	2006	\$11,237,585	\$1,021,363.05	\$868,158.59
58 WINTER GARDEN (COMPLETED 2007)	2006	\$6,449,670	\$896,881.70	\$762,349.45
59 RETAINING WALL	2006	\$519,970	\$5,568.90	\$4,733.57
60 CONCRETE WALKS	2006	\$65,393	\$10,091,037.75	\$8,577,382.09
61 CONCRETE CURBS	2006	\$293,842	\$2,385,083.30	\$2,027,320.80
62 ASPHALT & PARKING LOT	2006	\$381,730	\$10,675,705.75	\$9,074,349.89

TOTAL IMPROVEMENTS	\$101,543,422	\$87,604,050.64	\$74,463,443.04
LAND 152.84 ACRES @ \$6360 PER ACRE	\$972,062	\$972,962.00	\$972,962.00

TOTAL LAND & IMPROVEMENTS AS OF 12/31/07	\$102,515,484	\$88,577,012.64	\$75,436,405.04
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LITTLE RIVER CASINO RECAP OF REAL PROPERTY VALUES AS OF 12/31/07 (2003 MANUAL)

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1 ORIGINAL CASINO	1999	\$2,380,066	\$2,261,062.70	\$1,921,903.29
2 ORIGINAL CASINO ADD	2000	\$916,320	\$870,504.00	\$739,928.40
3 CB WELL HOUSE & UNDERGROUND STORAGE TANK	1999	\$128,131	\$121,724.45	\$103,465.78
4 STONE	1999	\$36,029	\$34,227.55	\$29,093.42
5 CASINO ENTRANCE	1999	\$115,209	\$109,448.55	\$93,031.27
6 PORTABLE OFFICE	2001	\$36,840	\$34,998.00	\$29,748.30
8 PORTABLE OFFICE	2000	\$41,759	\$39,671.05	\$33,720.39
9 PORTABLE OFFICE	2000	\$35,646	\$33,863.70	\$28,784.15
10 SHED W/F	2000	\$2,549	\$2,421.55	\$2,058.32
11 ASPHALT	1999	\$5,170,992	\$4,912,442.40	\$4,175,576.04
12 CONCRETE	1999	\$5,113	\$4,857.35	\$4,128.75
13 CONCRETE CURBS	1999	\$179,520	\$170,544.00	\$144,962.40
14 LIGHTS & POSTS	1999	\$162,922	\$154,775.90	\$131,559.52
15 STANDBY POWER	1999	\$1,057,350	\$1,004,482.50	\$853,810.13
17 SHIPPING	2001	\$124,457	\$118,234.15	\$100,499.03
18 RETAINING WALL	2001	\$7,250	\$6,887.50	\$5,854.38
19 CONCRETE	2001	\$95,572	\$90,793.40	\$77,174.39
20 ASPHALT	2001	\$1,159,168	\$1,101,209.60	\$936,028.16
21 LIGHTS & POSTS	2001	\$79,829	\$75,837.55	\$64,461.92
22 WOOD POST	2001	\$1,590	\$1,510.50	\$1,283.93
23 3 WALK IN COOLERS	2001	\$66,844	\$63,501.80	\$53,976.53
24 SHED W/F	2001	\$1,907	\$1,811.65	\$1,539.90
25 SHED W/F	2001	\$1,589	\$1,509.55	\$1,283.12
26 DUMPSTER CONCEALER	2001	\$3,286	\$3,121.70	\$2,653.45
27 SIGN 2 SIDED, PAINTED	2001	\$457	\$434.15	\$369.03
28 STANDBY POWER	2001	\$5,008,500	\$4,758,075.00	\$4,044,363.75
31 CONVENTION CENTER (COMPLETED IN 2002)	2001	\$1,968,802	\$1,870,361.90	\$1,589,807.62
32 CONVENTION CENTER CANOPIES (COMPLETED 2002)	2001	\$1,396,811	\$1,326,970.45	\$1,127,924.88
33 CASINO (COMPLETED 2002)	2001	\$20,623,360	\$19,592,192.00	\$16,653,363.20
34 OFFICES (COMPLETED 2002)	2001	\$1,532,677	\$1,456,043.15	\$1,237,636.68
35 VAULT (COMPLETED 2002)	2001	\$121,822	\$115,730.90	\$98,371.27
36 PERFORMERS' ELEVATOR	2002	\$27,295	\$25,930.25	\$22,040.71
37 COOLERS & FREEZERS (COMPLETED 2002)	2001	\$79,147	\$75,189.65	\$63,911.20
39 SIGNS WOOD, CARVED, 5	2001	\$18,448	\$17,525.60	\$14,896.76
40 POND & AERATOR	1999	\$77,858	\$73,965.10	\$62,870.33
41 STONE RETAINING WALL	2001	\$8,745	\$8,307.75	\$7,061.59
42 DOCK LEVELERS	2001	\$19,377	\$18,408.15	\$15,646.93
43 POND & AERATOR	2001	\$70,411	\$66,890.45	\$56,856.88
44 ELECTRONIC MESSAGE STRUCTURE	2002	\$331,536	\$314,959.20	\$267,715.32
45 FABRIC AWNING	2001	\$1,089	\$1,034.55	\$879.37
46 WATER SYSTEM	1999	\$45,000	\$42,750.00	\$36,337.50
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52 EMPLOYEE PARKING LOT	2005	\$1,075,119	\$1,021,363.05	\$868,158.59
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54 CONCRETE WALKS (COMPLETED 2007)	2006	\$5,862	\$5,568.90	\$4,733.57
56 CONFERENCE CENTER (COMPLETED 2007)	2006	\$2,510,614	\$2,385,083.30	\$2,027,320.80
57 EVENT CENTER (COMPLETED 2007)	2006	\$11,237,585	\$10,675,705.75	\$9,074,349.89
58 WINTER GARDEN (COMPLETED 2007)	2006	\$6,449,670	\$6,127,186.50	\$5,208,108.53
59 RETAINING WALL	2006	\$519,970	\$493,971.50	\$419,875.78
60 CONCRETE WALKS	2006	\$65,393	\$62,123.35	\$52,804.85
61 CONCRETE CURBS	2006	\$293,842	\$279,149.90	\$237,277.41
62 ASPHALT & PARKING LOT	2006	\$381,730	\$362,643.50	\$308,246.98

TOTAL IMPROVEMENTS	\$69,433,417	\$65,961,746	\$56,067,484.23
LAND 152.84 ACRES @ \$6360 PER ACRE	\$972,062	\$972,962.00	\$972,962.00

TOTAL LAND & IMPROVEMENTS AS OF 12/31/07	\$70,405,479	\$66,934,708.15	\$57,040,446.23
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